

CITY OF MIAMI BEACH  
Office of the City Manager  
Letter to Commission No. 210-2004

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**To:** Mayor David Dermer and  
Members of the City Commission

**Date:** August 5, 2004

**From:** Jorge M. Gonzalez  
City Manager

A handwritten signature in black ink, appearing to read "Jorge", written over the printed name of the City Manager.

**Subject: Jackie Gleason Theater – Rental Rate Increase  
Clarification of Resolution No. 2004-25583**

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Attached please find a revised Resolution No. 2004-25583 from the June 9, 2004 City Commission meeting. This revision allows for clarification for intent of effective date, in order to allow consistency and compliance with executed Lease Agreements for the Jackie Gleason Theater.

If you have any questions, please contact me.

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**C:** Christina M. Cuervo, Assistant City Manager  
Max Sklar, Acting Tourism and Cultural Development Director  
Doug Tober, General Manager, SMG

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CITY CLERK'S OFFICE



*Private Management for Public Facilities*

# MEMORANDUM

**Doug Tober**  
**General Manager**  
**Miami Beach Convention Center**  
**Jackie Gleason Theater**

**To:** Robert Parcher

**Cc:** [REDACTED]  
Raul Aguila

**Date:** August 3, 2004

**Re:** Clarification to Resolution No. 2004-25583

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Attached please find a revised Resolution No. 2004-25583 from the June 9, 2004 City Commission meeting. This revision allows for a clarification for intent of effective date, in order to allow consistency and compliance with executed Lease Agreements for the Jackie Gleason Theater.

Thank you for your attention.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE MAYOR AND CITY CLERK TO APPROVE AN INCREASE TO THE COMMUNITY BENEFIT FUND SURCHARGE ON TICKETS SOLD AT THE JACKIE GLEASON THEATER FROM \$1.00 TO \$1.50 COMMENCING WITH EVENTS CONTRACTED AFTER JULY 1, 2004, AND TO REDUCE THE SUBSIDY PERCENTAGE PAID FROM THE COMMUNITY BENEFIT FUND ON SENIOR AND STUDENT DISCOUNTED TICKETS FROM 80% TO APPROXIMATELY 71%.**

**WHEREAS**, the City owns the Jackie Gleason Theater and is desirous of facilitating the continued presentation of high-quality entertainment for the benefit of its citizens; and

**WHEREAS**, the City has established the Community Benefit Fund in order to provide reduced-price tickets to Miami Beach resident senior citizens and students, and for funding for event beneficial to the citizens of Miami Beach; and

**WHEREAS**, trends in ticket sales reimbursed from the Fund have led to a declining balance that, if left unrevised, could jeopardize the long-term viability of the fund; and

**WHEREAS**, the City is desirous of continuing the Fund with its current self-sufficient funding mechanism; and

**WHEREAS**, SMG as manager agent for the City at the Convention Center, has recommended revisions to the reimbursement rates and surcharge of tickets sold for events at the Jackie Gleason Theater that would revise such reimbursement rates from 80% of face value up to \$35 to approximately 71% of face value, allowing for rounding, and increasing the surcharge from \$1.00 per ticket to \$1.50 per ticket; and

**WHEREAS**, the Administration, Convention Center Advisory Board (CCAB), and SMG have determined that adoption of these revisions are in the best interest of the City and the CCAB recommended these revisions at its meeting on May 25, 2007.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve an increase to the Community Benefit Fund surcharge on tickets sold at the Jackie Gleason Theater from \$1.00 to \$1.50, commencing with events contracted after July 1, 2004, and to reduce the subsidy percentage paid from the Community Benefit Fund on senior and student discounted tickets from 80% to approximately 71%.

**PASSED AND ADOPTED** this 9th day of June, 2004.

Attest:

MAYOR

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CITY CLERK

JMG/CMC/rar

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# CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139  
www.miamibeachfl.gov



## COMMISSION MEMORANDUM

**To:** Mayor David Dermer and  
Members of the City Commission

**Date:** June 9, 2004

**From:** Jorge M. Gonzalez  
City Manager

**Subject:** **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AUTHORIZING THE MAYOR AND CITY CLERK TO APPROVE AN INCREASE TO THE COMMUNITY BENEFIT FUND SURCHARGE ON TICKETS SOLD AT THE JACKIE GLEASON THEATER FROM \$1.00 TO \$1.50 COMMENCING WITH EVENTS CONTRACTED AFTER JULY 1, 2004, AND TO REDUCE THE SUBSIDY PERCENTAGE PAID FROM THE COMMUNITY BENEFIT FUND ON SENIOR AND STUDENT DISCOUNTED TICKETS FROM 80% TO APPROXIMATELY 71%.**

### **ADMINISTRATION RECOMMENDATION:**

Approve the resolution authorizing the revision.

### **BACKGROUND:**

In 1983 pursuant to Resolution 83-17447, the City established a \$1.00 surcharge on all tickets sold at the Jackie Gleason Theater of the Performing Arts (JGT), to provide better access to culture for its senior citizen population, such surcharge was to be deposited in a fund administered by the Community Benefit Committee of the City of Miami Beach, said committee having been created pursuant to the same Resolution. The monies in this fund are used to subsidize not less than 50% of the cost of theater tickets up to a face value of \$35.00, for the senior citizen residents of the City of Miami Beach. Accounting and management of the fund was assigned to SMG, the City's managing agent for the JGT, pursuant to Resolution 93-20871. In 1998, the Community Benefit Committee (CBC) sunseted and the City Commission assigned its duties, including policy administration of the Community Benefit Fund (CBF), to the Miami Beach Convention Center Advisory Board (CCAB). Subsequent to its original formation, actions by the CBC, CCAB and City Commission, including the most recent Resolution No. 97-22543, have increased the level of subsidy to its current 80% of face value up to \$35.00. Historically, users of the JGT have provided a minimum of sixty (60) and a maximum of eighty (80) tickets per performance for available sale to senior citizens and students, whom have been included in subsequent actions expanding the availability of the reduced price tickets.

At its regular meeting on April 29, 2003, the CCAB reviewed the current financial condition of the fund. SMG provided a historical recap of the CBF demonstrating that current trending of ticket sales would create a concern of insolvency in the funding of the program

absent any changes. Due to its concerns over the declining balance of the fund, and in an effort to insure the continuing viability of the program, the CCAB approved a recommendation to revise the subsidy of these tickets from 80% to 70% of face value up to \$35.00, and to limit the availability of the reduced price tickets to sixty (60) tickets per performance. This revision was to be effective for events occurring on or after July 1, 2003.

The City Commission Finance & Citywide Projects Committee reviewed this recommendation at its regular meeting of June 17, 2003, and voted to retain the current parameters of subsidy and surcharge, directing SMG only to limit the sale to sixty (60) tickets per performance, and to report periodically on the status of the fund to the CCAB.

Subsequent reports have been presented by SMG to the CCAB on September 2, 2003 and on January 27, 2004, and to the Finance & Citywide Projects Committee on January 28, 2004. At those times, trends showed the fund remaining fairly steady.

At its regular meeting on May 25, 2004, the CCAB again reviewed the current financial condition of the fund. As of September 30, 2003, the Community Benefit Fund had a balance of \$97,018.66 decreasing from \$141,353, a year earlier, the fund balance as of September 31, 2002. Strong demand for the senior program tickets, coupled with lagging general ticket sales during the current year have dropped the fund balance to \$70,080.83 as of April 30, 2004. If no changes to the program's subsidy and surcharge mechanisms are made, current projections put its balance at \$60,210.73 at the end of the current fiscal year. SMG recommended strongly that immediate steps be taken to stem this decline, lest the fund continue toward insolvency. Agreeing with those concerns over the declining balance of the fund, and in an effort to insure the continuing viability of the program, the CCAB approved a recommendation to revise the subsidy of these tickets from 80% to approximately 71% (allowing for rounding to the nearest \$1.00) of face value up to \$35.00; this revision is to be effective for events occurring on or after July 1, 2004. The revision will also raise the surcharge on tickets from the current (and original) \$1.00 per ticket up to \$1.50 per ticket; this revision is to be effective for events contracted after July 1, 2004.

In analyzing the effect of the proposed decrease in subsidy, limiting of ticket availability and increase in surcharge, if effected immediately, the projected fiscal year end balance of the fund is projected to be approximately \$87,000, thus reversing the current trend of decreasing balance. It should be noted that the net effect to the ticket buyer is an increase in cost from the current maximum of \$7.00 to a new maximum of \$10.00, which still represents an extremely cost effective benefit to the senior citizens and students of the City of Miami Beach.

## **CONCLUSION**

This resolution should be approved to effect an increase of the long-term viability of the Community Benefit Fund ticket subsidy.

*June 9, 2004  
City Commission Memorandum  
MBCC Rental Rate Increase  
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**JMG/CMC/DT**

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